Mission Impossible:
Engineering Intentional Cultural Change
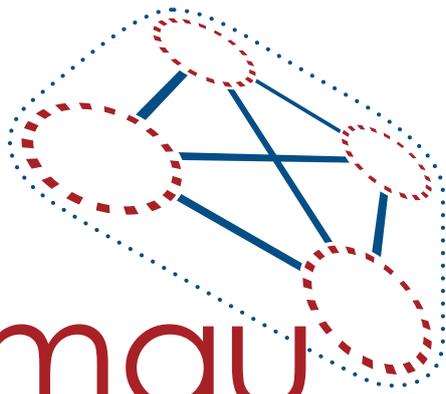
Tim Dalmau

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What is organizational culture?

Organizational culture cannot be dealt with simply. In point of fact, useful models of culture have been around for some time that can now account for its complexity. As Morgan explains, during the 1970s and 1980s the metaphor of organizations as cultures replaced the earlier metaphors of organizations as machines.

It is hard to believe, but this earlier metaphor still pervades the thinking of many managers and leaders in private and public-sector organizations, at least in Australia. Time and time again I hear executives and managers talk about the need to create the right culture, or fix the culture, as if there should be an organizational mechanic close by who can fix the culture as one would a faulty vehicle.

At the same time, a slow revolution has been undermining notions about organizational structure. Traditional structures began to fail under the challenge from a more turbulent environment, to use a phrase popularized by Emery and Trist as long ago as 1965. There have been matrix structures, quality circles, skunk works, and the like. It has reached a new peak with the focus on new forms of working that are associated with such movements as Holacracy (Robertson), Design Thinking (Mootee) and Agile Thinking.

But as more fluid and emergent structures match the greater lability of the environment, organizations depend more heavily on shared meaning to hold them together. And that is where culture becomes relevant. This is one of the factors which (in hindsight) seems to have motivated the rise in interest in organizational culture over the last four decades.

Writers such as Gagliardi, Schein and Lundberg suggested culture resides in the meanings which people attribute to the organizations in which they spend much of their time. In the last 15 years those enamored of engaging with culture now speak in terms of behaviors and artifacts as much or more than deeper tacit shared meanings.

At its broadest, culture is a coherent system of assumptions and basic values which distinguishes one group or organization from another, and which orients that group's choices.

To put it slightly more formally, and using the words of Edgar Schein:

a pattern of basic assumptions - invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems.

The teaching is often not conscious, but absorbed by the newcomer through observation of how other people behave (especially senior leaders), and how they react to the newcomer's behavior.

Lundberg offers a definition that separates out four levels of meaning for an organization's culture.

Artifacts: At the more visible or superficial levels of culture in Lundberg's formulation are artifacts. These are tangible aspects shared by members of an organizational group, including behavioral and physical attributes, language, stories and myths, rituals and symbols, technology and art used by an organization.

Perspectives: The next level involves perspectives: the rules and norms the members of a group or organization develop and share socially in any given context. Perspectives are, if you like, solutions to a common set of problems encountered from time to time. They define situations and prescribe the bounds of acceptable behavior in such situations. They are relatively concrete and members are usually aware of them.

Values: The values are the evaluation base that members of an organization use for judging the "rightness" or "wrongness" of situations, acts, objects and people. Values reflect the real objectives, standards and goals in an organization and define as well its transgressions, sins, and wrongdoings. Though more abstract than perspectives they can sometimes be articulated by members in such statements as organizational mission and philosophy.

Some organizations value difference, others value uniformity. In some organizations people value clear, rational and logical thought processes to reach decisions. In others, more intuitive, feeling-type forces are given priority in decision-making. Some reward creativity, risk-taking and innovation; others value order and control.

Basic Assumptions: At the deepest level we find the tacit beliefs that members hold about themselves and the world, their relationships to one another and the nature of the organization in which they work. Largely unconscious, they underpin the first three levels above. If you like, they are implicit and abstract axioms that determine the values, perspectives and artifacts of an organization's culture.

To put it slightly more simply, culture for Lundberg, it seems,

- is found in the way an organization's employees talk with and act towards clients and each other [artifacts];
- is expressed in the symbols used on letterhead, on buildings, in our advertising [artifacts];
- is found in the mind-sets members bring to bear on solving problems inside organization and with clients [perspectives];
- is found in the attitudes and beliefs members collectively hold about what is good and proper, about what is questionable or unacceptable [values]; and
- occasionally shows us glimpses of its core - the deep and unconscious assumptions an organization's people hold about the world and how it works [basic assumptions]

Craig Lundberg's notion of culture is not unlike an onion skin with different layers going deeper and deeper into a core; it is a most useful metaphor for organizational culture.
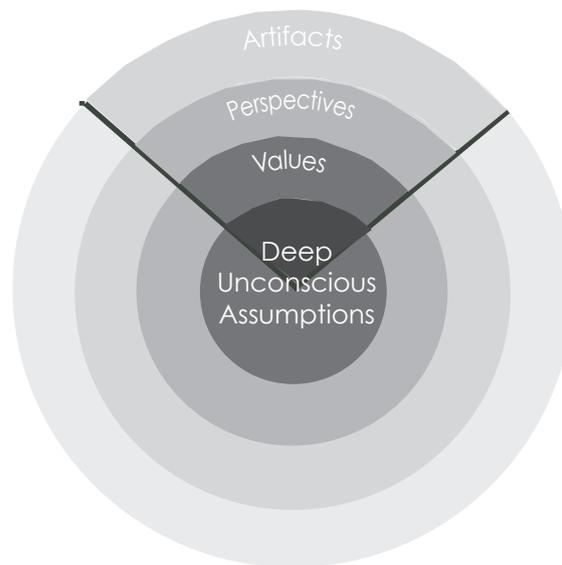
This model has a number of implications for our thinking about organizational culture. Firstly, it is a multi-layered affair. Its expressions range from the behavioral and tangible to the invisible and deeply unconscious. One cannot talk simply of an organizational culture without specifying at what level of expression one is dealing. There may also often be doubt about whether it is culture being expressed, or something else.

The unconscious is not necessarily an orderly thing. Those parts of an organization's culture that arise from its collective unconscious will not always emerge or unfold in orderly ways (Krefting and Frost).

The major components of an organization's culture are its basic myths and basic assumptions. They act as long-term memories. They find their expression in what Argyris and Schon call an organization's theories of action: the recurring strategies with which the organization tries to manage its internal and external worlds. They are the source of an organization's theories-in-use: the unstated rules which might be deduced from its behavior.

Organizational culture changes over time. In times of stability it becomes more embedded into the out-of-awareness functioning of an organization: it becomes more and more unconscious. In times of change, aspects that have previously dropped out of awareness may well be lifted once more into consciousness.

Because culture is complex, and layered, and to some extent unconscious, it is not predictable. The process of working with it therefore always involves unpredictability and risk. Any technique which is applied "cookbook style" is likely to be inadequate.

Paradoxically, culture generally (and organization cultures also) serves a stabilizing function: they become the milieu in which people make shared meaning of their experience. Human beings prefer this experience to be

stable. So, here is the paradox; culture does change, but overall it tends to be slow change, for one of the key functions of culture is to stabilize. Like a glacier the movement tends to be quite slow, unless there is a major geological event, such as an earthquake, and then the movement can be quite rapid. A sudden shift in the market, a massive disruption of leadership at the top of the company, sale to another company with a very different style … these can be the corporate culture equivalents of earthquakes.

Some of the literature, and much of management thought, seems to ask of "culture" much more than it can give. Such views tend to ascribe much more predictability to the cultural change process than is warranted and more confidence in the ability of "social engineers" to actually "grab hold" of culture than is probably wise. Indeed, this type of thinking often rests on five common misunderstandings of culture in organizations. They are described below as five fallacies: five misleading ideas which may lead senior executives and the student or manager of culture either to focus on an erroneous aspect, with too narrow a focus, or with inappropriate expectations.

Five fallacies about organizational culture

Fallacy 1: Equating a manifestation of culture with culture Itself

Culture is often viewed too simply, or confused with other concepts. In reality it is very hard to capture clearly in words the essential nature of culture. There is often no way of telling if people are using the same terminology in the same way until they begin to tease out its implications. Only then do interpretive differences become apparent.

This is a particular risk with rather fuzzy concepts like culture. Some people confuse culture with values. Others, as Rousseau has said, confuse it with organizational climate. For still another group it seems to be almost akin to management style. Some associate it with certain types of behavior patterns – e.g. scrum groups in Agile processes. Culture is related to all of these things; but is not equivalent to any one of them.

Fallacy 2: Working with, or changing, more superficial elements of culture

It is common for people to reduce culture to one its constituents or manifestations. A subsequent intervention in this element is then attempted. Disappointment follows when unrealistic expectations for change are not met.

So many managers apparently seek cultural change by changing superficial phenomena: the behavior, events and things that Lundberg names artifact. They fail to pay attention to the deeper values and the unconscious assumptions that influence attitudes and behavior.

Quite rightly, they see among their employees behaviors, practices and procedures which are outmoded or inappropriate. They recognize inappropriate ways of approaching problems, non-strategic responses to critical issues, and inattention to the things that matter. These same managers then espouse a new set of behaviors, a new set of norms. They become frustrat-

ed when their employees fail to respond to what is "obvious, necessary and common-sense". This is most commonly found among large globally consulting practices promising to change the culture of a client organization by instituting new behavior patterns and processes.

The other frequent folly arising from this fallacy finds expression in the upsurge of interest in organizational values; in particular, the assumption that espousing a set of values will lead to change in the organization's deeper culture. Argyris and Schon show us how complex and treacherous it is to sail in these waters. No amount of values investigation, assessment and calibration, no amount of syndicating new and espoused values into an organization will, of themselves, change the culture.

Culture ranges from the superficial to the deepest assumptions and feelings that people hold about an organization. The deeper phenomena are harder to define and reach. But with the more superficial phenomena (the "artifacts") you cannot be sure if it is culture you are dealing with, or something else. The same is true for the perspectives and the values levels.

Fallacy 3: Treating culture as a key cause and remedy of organizational phenomena

There are some who engage in simplistic thinking about organizational dilemmas and see culture as both the key cause and key remedy of quite complex phenomena. The assumption is that if you change culture, then other changes follow.

The assumptions go something like this: that inappropriate "culture" is not necessarily affected by managerial competence, systemic or structural factors; that a program of cultural change will remedy the deficiencies; that a cultural change is a sufficient intervention for such deficiencies; and that cultural change can be planned, implemented and evaluated against the same criteria and within the same frameworks as other more operational aspects of organizational life.

Cunnington and Limerick argue that cultural change cannot take place in a vacuum. Strategy, and structure, and culture are part of the same package, and require simultaneous attention.

Fallacy 4: Treating sub-culture as if it were the entire culture

This fallacy occurs with the equation of some part of a sub-culture within an organization with the whole culture of the organization. (Throughout the rest of this paper this is referred to as the "unitary fallacy") It rests on the misconception that it is possible to create a unitary culture in a large organization. Unfortunately, this simply is not so.

Most of the recent literature on organizational culture is clear that if unitary cultures do occur, they are extremely rare. Van Maanen and Barley are one of the few groups of writers who spell out the conditions under which one might find a uniform and unitary organizational culture. Unitary cultures evolve when all members of an organization face roughly the same problems, when everyone communicates with almost everyone else, and when each member adopts a common set of understandings for enacting prop-

er and consensually approved behavior.

Louis points out that organizations are more appropriately thought of as culture-bearing milieux: arenas in which are found sites of, and through which, sub-cultures may develop. Culture also concerns relationships between interests and groups within an organization: it is about differences in sets of meanings, values and beliefs more or less ambiguously delineating group identity, and second, those social pressures which condition relationships between groups (Young).

Unitary cultures in large organizations may not be possible: what may be possible is a unitary set of espoused values, and a more or less common set of perspectives, but these alone do not a culture make.

In my view, this fallacy combined with the relatively high level of corporate interest in the Jungian psychology as expressed in the Myers-Briggs Type Indicator and archetypal phenomena (see below) has created some fertile fields in which unscrupulous consultants can prey on unsuspecting executives. We now hear of ST, SJ, NT, ISTJ, ESTJ, ENFP etc. "cultures". Unfortunately, such terms are sometimes used to describe government departments or private sector organizations with tens of thousands of people in them.

The tendency of many executives, at least in Australia, to worship at the altar of the quick fix (Kilmann) makes this form of simplistic and uni-causal thinking (Argyris) particularly attractive.

Unfortunately, the resulting analyses and strategies derived therefrom usually fail dismally and the real power and utility of cultural and archetypal analysis is thereby sullied. The edge of their (the consultants) understanding is blunted, as is that of their client executives, for they fail to recognize that categorizing the content of a social phenomenon gives you no insight about its internal and dynamic processes and (consequently) very little real basis on which to plan change.

Fallacy 5: Confusing a concept with reality

This is the inappropriate reification of culture, treating as real and tangible what is actually a concept. Among others, Bateson has highlighted this thought process. He emphasized that many psychological and anthropological constructs are just that: constructs, ideas in the mind of the observer and not physical entities.

Nevertheless, many psychological constructs have been afforded the status of physical reality by writers and thinkers. In so doing, they have often unwittingly laid traps for themselves.

The traps may consist of trying to define a set of technologies for things that are only poorly understood, or may not even exist. Related traps involve expecting reality to conform to the theory or model, rather than being willing to deal with the world as it exists. Another form of this fallacy is exquisitely described by Nasim Taleb as the Soviet-Harvard Illusion.

This final fallacy is a potential trap, yet it is possible to draw on it to find constructive ways of dealing with the complexity and uncertainty of culture.

The impossibility of engineered change

It is not hard to see, in the light of the above, why so much thinking about cultural change is fatally misconceived, as are many intentional attempts to change it and how the understanding of many on this topic is flawed.

The following scenario is all too common: the leader or manager wishes to improve something. It could be injury frequency rates, reliability of machinery, availability of plant or a host of other things. Their analysis suggests the culture of the company is wrong in some way and is also the cause of the problem they face. They embark on a cultural change program, hoping this will produce the environment to produce the outcome they desire. They run workshops for senior personnel around identity and values, principles and expected behaviors.

They proclaim espoused values, run engagement workshops for all staff, agree to new ways of working and expect that all will be well.

But this analysis is based on some fundamental misconceptions that are likely to render any cultural change program largely a waste of effort and time.

Firstly, it is almost impossible to intentionally shape what are non-rational unconscious components of a collective unconscious with rational explicit means. The conscious can never manage the unconscious, either in individuals, organizations or whole nations, and a large component of culture is unconscious: indeed, the major part.

In terms of Craig Lundberg's onion skin model of culture, playing at the level of artifacts (words, mission statements, symbols, signage) does not change the underlying deep core assumptions.

Secondly, what management views as the culture of the organization is rarely if ever the experienced culture on the shop floor, and it is usually a shock to leaders to realize the size of the gap between their experience and those of their workers. Proclaiming a new management or leadership culture is unlikely to make much difference to the real felt culture of the average shift operator.

Thirdly, the biggest mistake in this analysis lies in the assumption that if we could change the culture we would get the improvements in performance we seek. This view suggests culture is cause and not effect. Culture is the shared meaning that arises from other factors … the result of these other factors. It is more useful to think of culture as an output not an input.

Consequently, much well intentioned effort at cultural change is ineffective for it is targeting the wrong things.

So... What can we do?

If we cannot intentionally engineer a new culture, what can we do? There is, in fact, much we can do that will produce new *cultural components*,

providing we give up the notion that we can do so with predictable results as to the resultant culture. And it is true that we can positively influence an existing culture.

Put another way, leaders can certainly influence existing cultures and shape new cultures, providing they are prepared to be open to change, surprise, discovery and getting a result (often better) but quite different to that they expected or hoped for.

Leaders' behavior

In fact, it is my considered opinion after 36 years of consulting that the behavior of a leader and his/her top cohort is the single most influential factor to impact organizational culture. Nothing is more powerful in shaping the patterns, perspectives and values of a group of employees. No program of change, no internal or external OD change agent, no consulting firm, no planned cultural change intervention will have anywhere the impact in shaping the culture of an organization than the behavior of the leader and this group.

We know that people follow the behavior of their leaders and if the leadership cohort contains behavior from members that is against or inimical to the new future a company may desire, then these people need to be removed. They need to be replaced with people who model the mindsets, values, and behaviors that we would hope can be part of the company's future.

Honor a group's shared history

It is well known over many decades that when a group's shared history is honored they are more likely to be open to changing it. Honoring, celebrating and acknowledging culture and shared history is the first step to having people be prepared to let it change or evolve.

Create new meaning and new context for old experiences

Secondly, we know that creating meaning and putting new contexts on old experiences is key to shifting people: a key leadership responsibility in influencing culture is to create and shape new contexts.

Create new shared experiences

Thirdly, culture arises in large part from shared experiences and therefore it is important to create new ways of working together, new forms of work, different use of technology that shape new and different experiences for people.

Tim Dalmau
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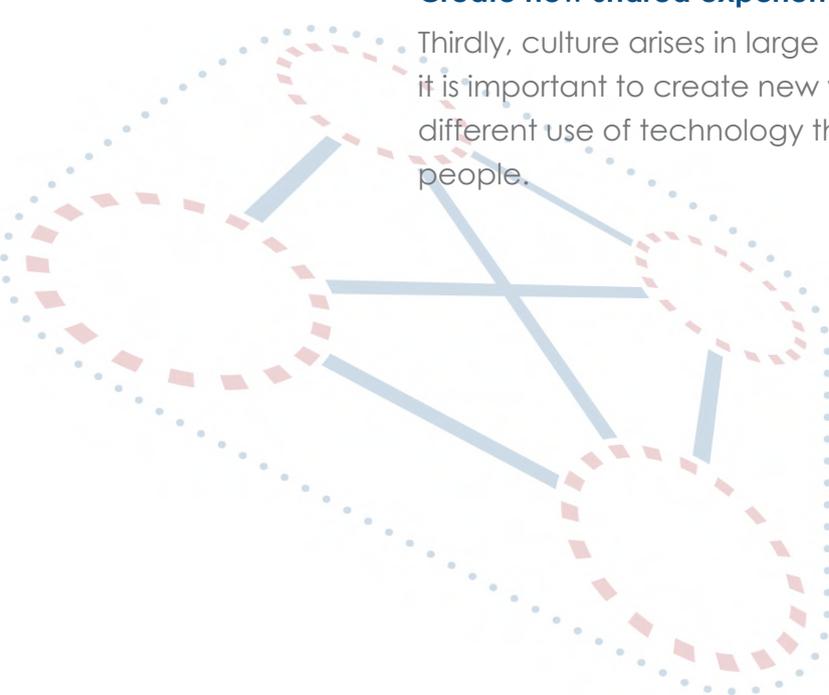
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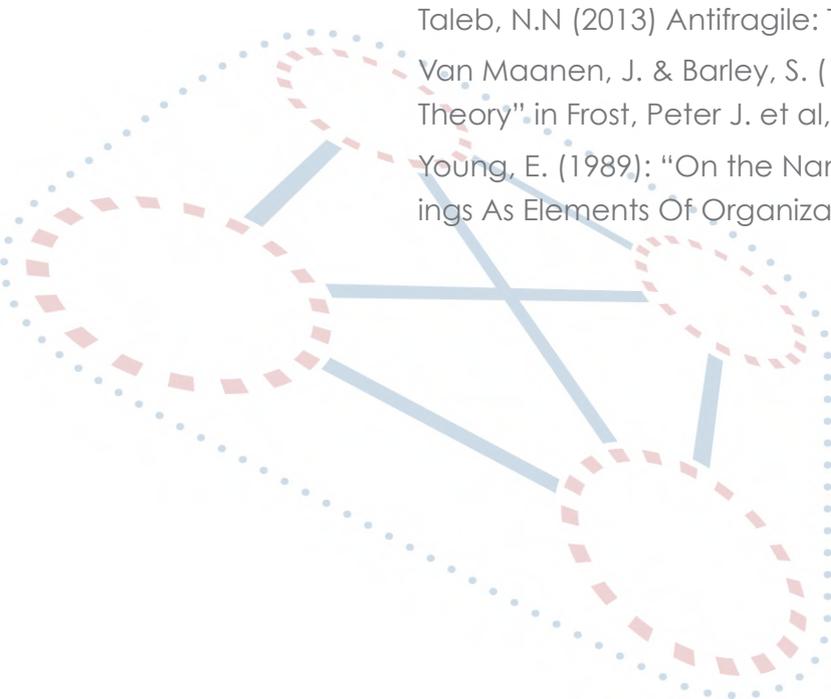
Dalmau Consulting

Box 283 Samford Village
Queensland 4520
Australia

Tel: +61 7 3289 2133
Email: info@dalmau.com

www.dalmau.com